

1 CHAIRPERSON JAMES: With that, let's go to chapter two,
2 "Gambling in the United States."

3 You should have two packets in front of you, one is the
4 original edits that came in and then there are the supplements
5 that came in this morning. Let's see how we can move through
6 this. Oh, great. Great. And if you -- we hit one that you
7 proposed and you want to withdraw it, just say "withdraw," and we
8 can move through it fairly quickly. That is a big chunk.

9 Okay. The first one up is page number 13. Is that the
10 one you have in front of you? The first paragraph, line two?

11 COMMISSIONER DOBSON: That's me. At the top of page
12 13, additionally not all -- everybody find it?

13 "Additionally not all gambling facilities are
14 successful. Some tribes operate their casinos at
15 a loss and a few have been forced to close money-
16 losing facilities."

17 We're suggesting that we have a statement here that
18 comes from the NRC. You see the reference down below that says:

19 "Tribal members also face the social costs
20 attendant to any form of gambling. In addition,
21 preliminary research presented to the Commission
22 indicates that Native Americans appear to be at
23 an increased risk for gambling addiction."

24 CHAIRPERSON JAMES: Are you offering that as a motion,
25 Jim?

26 COMMISSIONER DOBSON: As a motion.

27 CHAIRPERSON JAMES: Is there a second?

28 COMMISSIONER LOESCHER: I'll second it.

29 CHAIRPERSON JAMES: It has moved and seconded.

1 Discussion?

2 COMMISSIONER LOESCHER: Madame Chairman, may I?

3 CHAIRPERSON JAMES: Commissioner Loescher.

4 COMMISSIONER LOESCHER: I -- I'll use the cite, the NRC
5 and all that business be in the -- the language here is
6 "preliminary research." I don't believe that there was any
7 substantive research in this area, and I think this is just
8 prejudicial language, unsubstantiated. And in all the testimony
9 that we heard, you know, and I attended every one of the hearings
10 of the Native American Subcommittee, closed and general hearings
11 of this, almost all of them, we never received any substantive in
12 the hearing record on this point. And I -- I would hope that the
13 Commission members would not accept this language for the reasons
14 that I've stated.

15 CHAIRPERSON JAMES: Any other discussion?

16 COMMISSIONER WILHELM: I would concur with Bob that
17 there's nothing I know of in the record, and please correct me if
18 I'm wrong, about the second sentence. The first sentence, to me,
19 is gratuitous, because this report, and it's -- it is replete with
20 all kinds of stuff about social costs attendant to gambling. It's
21 everywhere. And I think it's gratuitous to single out tribal
22 members as a particular -- as a particular group that -- those
23 costs. And there's nothing anywhere in the volumes of rhetoric
24 about this in the draft report that suggests that they're not.

25 COMMISSIONER DOBSON: I do have the reference, Madame
26 Chair.

27 COMMISSIONER WILHELM: Commissioner Dobson.

28 COMMISSIONER DOBSON: Again, page 46, and again on 416
29 of the NRC report, read:

1 "Since the passage of the Indian Gaming Regulatory
2 Act of 1988, gambling among and sponsored by
3 American Indians on reservations has increased
4 substantially, and it rose since 1992. In the
5 Zigzaut (phonetic) study, American Indian
6 adolescents exhibited more serious problems with
7 gambling, an earlier onset of gambling problems
8 and a greater frequency of gambling problems than
9 their non-Indian peers. The Bulberg study found
10 that indigenous populations reported more gambling
11 involvement, gambling expenditures, and gambling-
12 related problems than white populations from the
13 same areas.

14 COMMISSIONER MOORE: I can't turn right to it now, but
15 I believe that the essence of this statement is made elsewhere in
16 the report. I don't see why we need to have this right here. I
17 believe that this is elsewhere in this report.

18 COMMISSIONER LEONE: So, you think, Dr. Moore, that you
19 covered it in the tribal supplement?

20 COMMISSIONER MOORE: I think that that's mentioned in
21 that, that there are more alcoholics. I think that --

22 COMMISSIONER LEONE: Maybe we could put it on hold
23 until we get to that chapter. In some ways it fits better in that
24 chapter.

25 COMMISSIONER WILHELM: I would point out that in the
26 same page, 4-6, of the NRC study it also says:

27 "Studies have also generally failed to disentangle
28 race and ethnicity from issues of property and
29 social demographic status."

1 I do not understand the logic that -- in this language
2 that Jim is seeking to amend, singling out this particular group.
3 There's a great deal of information in the NRC report, for
4 example, that suggests that it may be the case that -- this
5 precedes the sentence that I just read in the NRC report -- it may
6 be the case that whites have bigger -- more gambling problems than
7 African Americans, even though we have other data that suggests
8 that African Americans may be more susceptible to lottery problems
9 and so on and so on. So, it seems to me that in view of the
10 complexity of these issues, and in view of the sentence that I
11 just read in the NRC, that to single out Native Americans strikes
12 me as --

13 COMMISSIONER DOBSON: Excuse me, John, but read the
14 sentence there that says, "Since the passage of the Indian Gaming
15 Regulatory Act of 1988."

16 COMMISSIONER WILHELM: The one you just read. Yeah.

17 COMMISSIONER DOBSON: Yeah. That sentence that -- the
18 reference that gambling among and sponsored by American Indians
19 has increased substantially. In that case it's not referring to
20 other ethnic groups.

21 COMMISSIONER WILHELM: Well, but in just the few lines
22 above that, Jim, it also says specifically:

23 "Studies among black, Hispanic, Asian and American
24 Indian gamblers have been lacking. A few studies
25 that include diverse populations have in general
26 failed to distinguish."

27 It's just -- my only point is that this is a very
28 complex subject, and I think that it's imprudent and needlessly
29 incendiary to single out this particular group.

1 COMMISSIONER LANNI: I would concur with that and I
2 would say also if we take a look at the proposals which I have
3 only half-headedly suggested to research that they raise the
4 income tax level to over 60 percent, we have -- we have sufficient
5 research that we're asking for and we're requesting that tribal
6 governments also participate in that research to really get some
7 figures that make sense. I think by anyone's standards I think
8 one thing we can all agree with in this Commission is that we do
9 know now is what we really -- how much we really don't know, that
10 there's a lot more. And I think the research will make much a
11 better determination than coming with some preliminary research
12 that the NCR had on this particular matter. I would be more
13 comfortable just waiting to see what all this research through the
14 various agencies that we've asked to provide in this situation.
15 And I think it's a bit of an attack on people that's been
16 pejorative. I know that wasn't the intent. I'm not suggesting
17 that was the intent. But I think anyone reading it might take
18 that as the intent, although it wasn't.

19 COMMISSIONER BIBLE: Can I jump in?

20 COMMISSIONER DOBSON: Let me just defend what's stated
21 here and then I will yield. The discussion here is being
22 characterizes as an attack on Native Americans, but if you read
23 this statement, it is not a statement with reference to Indians
24 compared to others, as we would if it was pejorative. It is,
25 "Tribal members also face the social cost attendant to any form of
26 gambling." That is not disrespectful or an attack on Indians.

27 COMMISSIONER LANNI: I don't think it -- I wasn't
28 saying that it was. As I said, I think it could be perceived by
29 the reader when he reads on, or she reads on, saying:

1 "Preliminary research presented to the Commission
2 indicates that Native Americans appear to be at an
3 increased risk for gambling addiction."

4 We're reaching that conclusion on a preliminary basis,
5 and all I'm saying -- and I don't think there was any intent on
6 your part to be pejorative or to single out -- I'm merely saying
7 that I think that -- let's let the research define if such an
8 issue exists, and not really go for the preliminary.

9 COMMISSIONER LEONE: I just want to say two things, and
10 obviously we need more research, but the notion that Native
11 Americans are being singled out implies that somehow that is a
12 random decision. Native Americans turn up in this gambling report
13 as some people are singled out. So does Atlanta City. So does
14 Las Vegas. We have singled out the communities that sponsor
15 gambling. We've singled them out in many cases to talk about how
16 they provide jobs and tax revenues. There's been a lot of
17 testimony about the good things. We've also, quite properly,
18 looked at what the effect social and otherwise has been on those
19 communities that sponsor gambling. The fastest growing place for
20 gambling that's getting started in the United States, as I
21 understand it, is on tribal lands.

22 I don't think whether this statement is supported by
23 more than the NRC report ought to be in there is a different
24 question. But I don't think it's fair to attack Commissioner
25 Dobson's suggestion because he's singling out people who are on
26 the places where new gambling establishments are rapidly springing
27 up. We would do the same thing in Iowa or Minnesota or anywhere
28 else where they were starting gambling to see what the effect was
29 on local populations, positive and negative.

1 And I think, you know, in the spirit of being
2 constructive and moving forward, even if we disagree with the
3 assertion, I think we ought to have some consistency. If we're
4 going to go through this report and remove all the references to
5 local events because we're singling out those communities, then
6 we, you know, we --

7 COMMISSIONER LANNI: I think here we're talking about
8 inserting, not deleting.

9 COMMISSIONER WILHELM: Well, with respect for Richard,
10 I would disagree with what you just said. In the case of
11 Botchultz (phonetic), for example, we're not talking here about
12 the possibility of increasing the problem gambling in the vicinity
13 of Botchultz. That's not what this says. In the case of
14 California tribal casinos that exist, we're not talking about the
15 possibility of increased problem gambling in the vicinity of those
16 casinos.

17 We're singling out an ethnic group that happens to be
18 among the people who are in the immediate local area that you're
19 talking about. Botchultz, for example, has about 550, give or
20 take, represented in the tribe, and there's thousands of people
21 that go there every day, and I would just offhand make a bet, so
22 to speak, that the great majority of people who experience problem
23 gambling in Botchultz are not Native Americans. Likewise,
24 probably every tribe in the country, with the possible exceptions
25 of rural, isolated ones.

26 So, and again, particularly in view of the NRC's
27 statement that studies have generally failed to disentangle race
28 and ethnicity, it just makes me very -- I don't think we have
29 enough -- enough data to say this.

1 COMMISSIONER LEONE: Well, I'm not going to fight this
2 forever, but I think we talked about -- these are sovereign
3 governments who make gambling decisions on a special basis. We
4 have argued that they ought to take into consideration and even
5 pay for more of the research and consequences of those decisions
6 elsewhere. I don't think it's inappropriate, therefore, to ask
7 any government.

8 We've talked about one state setting up gambling next
9 to another state. You know, we -- I think -- I don't think it's -
10 - anyway, I don't think it's singling people out to raise this
11 issue. It may or may not be that we want to go with what the NRC
12 said. There's a strong enough basis for making this assertion.
13 It could go up or down. But it's a reasonable place to ask the
14 question.

15 COMMISSIONER MCCARTHY: Madame Chair.

16 CHAIRPERSON JAMES: Are you ready for the question?

17 COMMISSIONER MCCARTHY: Yes. Madame Chair, I would
18 just like to say, you know, I have this -- associated study, read
19 it. It's one of the work products of the Committee and all of
20 that. But even Dr. Moore says, "Finally, all study findings thus
21 far should be taken with a grain of salt. Despite the --
22 committee, no single study has been truly comprehensive and
23 definitive." And I think by his own words he says it all. So, I
24 would just hope that -- I believe that there's more to come in the
25 future research that validates the statement.

26 COMMISSIONER WILHELM: I'd move to question.

27 CHAIRPERSON JAMES: All in -- we have not checked that.

28 COMMISSIONER MCCARTHY: Instead of gambling addiction,
29 that we put increased risk of problem or pathological gambling.

1 COMMISSIONER DOBSON: Accept that -- Madame Chair, I
2 would like to ask that the motion that has been made and seconded
3 be voted on, and then if it comes up in another place we can -- we
4 can justify it.

5 COMMISSIONER WILHELM: Are you going to make that
6 motion to where it refers to gambling addiction, that that term be
7 replaced with the terms that you suggested?

8 CHAIRPERSON JAMES: You think so, but you are at least
9 doing it here?

10 COMMISSIONER WILHELM: Well, we should be consistent.

11 CHAIRPERSON JAMES: Well, if we -- if we make the
12 decision to do that, it's very easy with word find for them to do
13 that throughout the document. So, it's really a policy question.
14 And if we decide as a Commission.

15 COMMISSIONER MCCARTHY: It depends on what the content
16 of the sentence is, but I would generally want it to read problem
17 or pathological gambling. That's more consistent with the NRC.

18 COMMISSIONER WILHELM: I think it is, too.

19 COMMISSIONER DOBSON: Madame Chair, to this point in
20 the next chapter, there are four places where pathological
21 gambling or gambling is used alone, as opposed to problem and
22 pathological gambling. And so that gets to the same point.

23 COMMISSIONER WILHELM: I move the question as amended.

24 CHAIRPERSON JAMES: All in favor? Any opposed? I
25 think the ayes have it as amended. Next?

26 COMMISSIONER DOBSON: Page 17, is that? This item
27 appears at the top of the page, the first paragraph:

28 "Because sports wagering is illegal in most
29 states, it does not provide any of the positive

1 impact that other forms of gambling offer, in
2 particular, sports wagering does not contribute to
3 local economies and produces few jobs. Unlike
4 casinos or other destination resorts, sports
5 wagering doesn't create another economic sector."

6 In the interests of being succinct, removing extraneous
7 language, I would bring this down --

8 COMMISSIONER WILHELM: That's going to require a lot of
9 motions to make this thing succinct.

10 COMMISSIONER DOBSON: This comes down to about nine
11 words, John.

12 "Because sports wagering is illegal in most
13 states, it provides no economic benefits."

14 CHAIRPERSON JAMES: Well.

15 COMMISSIONER BIBLE: Move the question.

16 CHAIRPERSON JAMES: Well, but it hasn't been seconded
17 yet.

18 COMMISSIONER BIBLE: Second.

19 CHAIRPERSON JAMES: Okay.

20 COMMISSIONER WILHELM: I have some comments.

21 CHAIRPERSON JAMES: No, I think what you heard was a
22 pregnant pause and some consideration. Waiting for a second.

23 COMMISSIONER WILHELM: This one I really don't get.
24 This is -- this is written as though we should know where --
25 acknowledge that some forms of gambling have any positive impacts
26 at all. And this cannot be, with all due respect, in the interest
27 of succinctness, because we have tons of other stuff we get to
28 vote on that's opposite of Jim's contributions to succinctness or
29 lack thereof.

1 This language really acknowledges that compared to some
2 other forms of gambling that sports gambling doesn't have a
3 positive economic benefit. That's not a horrible thing to say.
4 In fact, it's a somewhat useful thing to say. That doesn't --
5 that doesn't water down nor negate the numerous places at which
6 the Commission has chosen to say that -- all kinds of doubts about
7 the extent of the positive benefits. But we haven't yet reached a
8 conclusion, I stress yet, that there are no positive benefits. In
9 fact, some of our recommendations actually say that there may be
10 some sort of benefits.

11 COMMISSIONER BIBLE: Jim, my concern would be that in
12 jurisdictions where it is legal that the -- in jurisdictions where
13 sports wagering is widespread, it simply a game that's offered as
14 a game as part of an entire gaming mix, the economic benefits of
15 sports wagering is the same as it would from a baccarat game or a
16 21 game or any of those activities. If you take each individual
17 activity and distill it down and look at it, you may be making the
18 case that there's no economic benefit. If you bundle them all up
19 into a package, you have the economic benefit of a destination
20 resort.

21 CHAIRPERSON JAMES: Well, let me -- my struggle is a
22 little bit different one, Jim, and I'm trying to figure out how
23 it's the provides no economic benefits just because it's illegal.
24 Because illegal activity does provide illegal economic benefits
25 for some people. I mean --

26 COMMISSIONER DOBSON: It's certainly not taxed.

27 CHAIRPERSON JAMES: Right. But that -- but it does
28 generate -- I'm trying to sound not too knowledgeable about this.
29 I mean, is that a true statement.

1 COMMISSIONER BIBLE: It does provide economic benefits.

2 CHAIRPERSON JAMES: It may be ill-gotten gain and it's
3 illegal, but can you make that -- can we make that statement and
4 have it pass the straight-face test?

5 COMMISSIONER LANNI: And in fact, realistically, the
6 Internal Revenue Service and, for example, the California
7 Franchise Tax Board, are known to actually have illegal bookies
8 make tax payments, and they actually -- so they do pay taxes. And
9 they don't share that with any of the other Departments of Justice
10 or the AG's office at the state.

11 CHAIRPERSON JAMES: As long as they get their taxes.

12 COMMISSIONER LANNI: As long as they get their tax.
13 And that is a fact. So, there is some reason for you people to
14 attend these meetings. You'll actually learn something.

15 COMMISSIONER MOORE: Yeah, that's the black market tax.

16 COMMISSIONER LANNI: Black market income is what it
17 comes to.

18 COMMISSIONER DOBSON: Do you think I ought to withdraw
19 that motion?

20 CHAIRPERSON JAMES: Yeah, I think so.

21 COMMISSIONER DOBSON: There's a dimension of that that
22 doesn't meet the eye. How about the second? Want to withdraw it?

23 CHAIRPERSON JAMES: The seconder, who was second? Oh,
24 okay.

25 COMMISSIONER WILHELM: Okay. Everything else in this
26 regular packet we've already dealt with.

27 CHAIRPERSON JAMES: That's right.

28 COMMISSIONER WILHELM: However, I'd like to return for
29 a moment to the thing that we just passed about Native Americans.

1 I'm very concerned about this, notwithstanding Richard's
2 comments. I don't believe this Commission exists, nor should,
3 given its legislative purpose, in a vacuum.

4 It is no secret to this Commission that many in Indian
5 country already believe that this Commission is biased against it.

6 I don't happen to agree with that, but there's no question that
7 that is the case, that that belief is widespread in Indian
8 country. And it's one thing to make a well-grounded statement
9 like, for example, tribal gaming is the largest, the fastest
10 growing segment of gambling in America. That's a fact. It's not
11 a fact, necessarily, that tribal gaming interests like to have
12 spot lighted, but it's a fact.

13 It's one thing to make recommendations, for example,
14 such as we made today over Commissioner Loescher's objection, or
15 what was reiterated today, I should say, over Commissioner
16 Loescher's objection, that tribes should not be allowed to have
17 gambling activities that are not allowed to others in the states.

18 That's a -- while arguable and while resented in Indian country,
19 it's a, I think, a legitimate thing to say.

20 But I think it's quite another thing to say that -- to
21 single out -- and I heard you, Richard, but I continue to think
22 that's the appropriate phrase, Native Americans as appearing to be
23 at an increased risk for gambling addiction when, a, that research
24 is much more qualified in the NRC report than this statement would
25 suggest, and when, b, we haven't made similar comments about other
26 ethnic groups, even though the research points to other ethnic
27 groups as well.

28 So, having said that, I would first like to ask that
29 someone who voted in the majority on that move to reconsider it

1 altogether and that we dump it. Failing that, I would like to
2 move the following addition to it.

3 CHAIRPERSON JAMES: Can someone, just for point of
4 departure, read the motion as it passed?

5 COMMISSIONER DOBSON: Would some -- would, John, would
6 you explain to me we are now revisiting something that we've
7 already dealt with?

8 COMMISSIONER WILHELM: You bet. That's exactly right.

9 COMMISSIONER DOBSON: We're coming back to it?

10 COMMISSIONER WILHELM: You bet.

11 COMMISSIONER DOBSON: Yeah. Okay.

12 COMMISSIONER WILHELM: Yeah. And we've been doing
13 that. And we have to keep doing it, we'll keep doing it.

14 COMMISSIONER DOBSON: Only when you do it.

15 COMMISSIONER WILHELM: No, sir. I haven't submitted a
16 fraction of the recommendations you've submitted. I haven't
17 revisited a fraction of the recommendations you've revisited. So,
18 as I -- I have served --

19 COMMISSIONER DOBSON: You have -- to the whole
20 Commission. You --

21 COMMISSIONER WILHELM: Well, Jim, if I talk too much
22 for your tastes, that's tough.

23 CHAIRPERSON JAMES: I am going to ask that Valerie
24 please read the motion as it currently exists.

25 COMMISSIONER WILHELM: Well, I'm making a separate
26 motion.

27 CHAIRPERSON JAMES: Well, just for my purposes, I just
28 --

29 MS. RICE: Tribal members also face social costs

1 attendant to any form of gambling. In addition, preliminary
2 research presented to the Commission indicates that Native
3 Americans appear to be at an increased risk of the problem of
4 pathological gambling.

5 COMMISSIONER WILHELM: I would like to -- if no one who
6 voted in the majority will make a motion, I --

7 COMMISSIONER MOORE: I will make a motion. And the
8 reason that I'll make a motion to withdraw and reconsider this is
9 I believe that we can make the social impact. This paragraph has
10 already -- in the what we were talking was talking about the
11 economic impact of Indian gaming, is the way I understood. You
12 come along in one paragraph and go and add social effects, I
13 believe we can add social effects. Not that I disagree with the
14 statement. I believe there was the necessary testimony --

15 CHAIRPERSON JAMES: So, you're moving to --

16 COMMISSIONER MOORE: -- in this point.

17 CHAIRPERSON JAMES: You are moving to reconsider?

18 COMMISSIONER MOORE: I move to reconsider.

19 CHAIRPERSON JAMES: Is there a second for that?

20 COMMISSIONER DOBSON: Did you vote for the motion?

21 COMMISSIONER MOORE: I voted for the motion.

22 CHAIRPERSON JAMES: Yes, he did vote for the motion.

23 COMMISSIONER LANNI: I'll second it.

24 CHAIRPERSON JAMES: I'm not sure whether we need one or
25 not, but we got one.

26 COMMISSIONER MOORE: Motion to reconsider.

27 CHAIRPERSON JAMES: That's exactly right. All in
28 favor? This is the motion to reconsider, not what the motion
29 would -- not what we would -- not the language. A yes means we

1 will reconsider that vote, a no means it stays as is, are we
2 clear? This is the motion to reconsider. All in favor of the
3 motion to reconsider? Any opposed? Okay. We will reconsider
4 the motion. Now, now you can move to amend or --

5 COMMISSIONER WILHELM: I move to strike this.

6 CHAIRPERSON JAMES: To strike the entire amendment.

7 COMMISSIONER BIBLE: I'll second that.

8 CHAIRPERSON JAMES: It has been moved and seconded.
9 Discussion. Commissioner McCarthy?

10 COMMISSIONER MCCARTHY: The motion to strike --

11 COMMISSIONER WILHELM: You mean, had it not been
12 reconsidered? I was going to propose --

13 CHAIRPERSON JAMES: No, it's -- it's not. At this
14 point, my understanding is we have moved to strike, and that has
15 passed. And so we're --

16 COMMISSIONER WILHELM: No. No. The motion was
17 reconsidered.

18 CHAIRPERSON JAMES: I'm sorry. I'm sorry. With a
19 motion to strike. That's correct.

20 COMMISSIONER WILHELM: I'll read it to you. I think
21 it's a poor substitute for strike it, but what I was going to
22 propose, since this is allegedly based on the -- I'm sorry,
23 withdraw that. Since this is based on the NRC report on pages,
24 page 4-6, I was going to propose a sentence to be added. And
25 again, this is a poor substitute for striking it. The sentence
26 would say:

27 "However, the same source also stated that, quote,
28 'The studies have also generally failed to
29 disentangle race and ethnicity.'"

1 And then I was going to go on to say that:

2 "The studies have also pointed to increased risk
3 of problem and pathological gambling amongst
4 whites, African Americans, Hispanics and other
5 groups."

6 Which is factual. All from page 4-6.

7 CHAIRPERSON JAMES: I'll tell you, I was predisposed to
8 support my fellow Commissioners on this one. Let me tell you what
9 my problem is. And it's -- it's increased risk as -- and it
10 implies in that statement that somehow there is something
11 intrinsic about Native Americans that makes them added increased
12 risk, and I just don't believe that to be the case. I think that
13 anyone who comes into that much contact with gambling could
14 potentially have an increased risk, but I think it unfairly
15 singles out Native Americans.

16 COMMISSIONER DOBSON: Going back to the statement,
17 Madame Chairman, tribal members also -- also face.

18 CHAIRPERSON JAMES: Yeah. No, I was referring to the
19 second -- the second sentence.

20 "In addition, preliminary research presented to
21 the Commission indicates that Native Americans to
22 be at an increased risk."

23 As opposed to something along the lines that Native
24 Americans -- it appears that there is a comparison that is being
25 made to other ethnic groups and that somehow there is something
26 intrinsic about Native Americans that makes them at an increased
27 risk.

28 COMMISSIONER DOBSON: For me it keys off the first
29 sentence. This falls on the heels of the first sentence, which

1 barely says that it's not only true of these folks, but it's true
2 of these folks, too.

3 CHAIRPERSON JAMES: Right. Well, I understand, Jim,
4 but I really do believe that it would be interpreted that way.

5 COMMISSIONER BIBLE: Why don't we just leave the first
6 sentence in and strike the second sentence?

7 COMMISSIONER MOORE: Why don't we just ask Jim to
8 withdraw this and go ahead with this and we'll --

9 CHAIRPERSON JAMES: Well, the motion to strike is the
10 motion that is before us right now.

11 COMMISSIONER WILHELM: I would move the question that's
12 before us.

13 CHAIRPERSON JAMES: All in favor of the motion to
14 strike? Opposed? I think the ayes have it.

15 COMMISSIONER DOBSON: Madame Chair, I make a motion
16 that we take the first sentence and let it stand as it is.

17 "Tribal members also face the social costs
18 attendant to any form of gambling."

19 CHAIRPERSON JAMES: Is there a second for that? There
20 is a second. Discussion? All in favor? Opposed? I think I'll
21 need a roll call on that one. Commissioner Bible?

22 COMMISSIONER BIBLE: Aye.

23 CHAIRPERSON JAMES: Commissioner Dobson?

24 COMMISSIONER DOBSON: Aye.

25 CHAIRPERSON JAMES: Commissioner Lanni?

26 COMMISSIONER LANNI: No.

27 CHAIRPERSON JAMES: Commissioner Leone?

28 COMMISSIONER LEONE: Aye.

29 CHAIRPERSON JAMES: Commissioner Loescher?

1 COMMISSIONER LOESCHER: No.

2 CHAIRPERSON JAMES: Commissioner McCarthy?

3 COMMISSIONER McCARTHY: Aye.

4 CHAIRPERSON JAMES: Commissioner Moore?

5 COMMISSIONER MOORE: No.

6 CHAIRPERSON JAMES: Commissioner Wilhelm?

7 COMMISSIONER WILHELM: No.

8 CHAIRPERSON JAMES: Commissioner James votes no.

9 That's five nos and three yeses. Okay, Chapter 2, Gambling, we're
10 ready to move to the supplements. We're still in Gambling in the
11 United States. I'd like to try to finish this chapter before we
12 take a break. The first one's yours.

13 COMMISSIONER BIBLE: This refers to Nevada having slot
14 machines in bathrooms.

15 CHAIRPERSON JAMES: You're right. The next one is
16 Chapter 2, page 9, first full paragraph. Begins with, "With these
17 original states now approaching saturation point," and it ends
18 with, "It is operating illegally."

19 COMMISSIONER BIBLE: That was probably older language,
20 because the Supreme Court decision has since been overturned by a
21 vote of the people in Missouri.

22 CHAIRPERSON JAMES: And so you're recommending --

23 COMMISSIONER BIBLE: Just strike it.

24 M7 I would second that.

25 CHAIRPERSON JAMES: So start where?

26 COMMISSIONER BIBLE: Missouri Supreme Court has thrown
27 the entire industry in a turmoil by ruling that much of it is
28 operating illegally.

29 CHAIRPERSON JAMES: Can we just do that by acclamation?

1 No. 2, a look at --

2 COMMISSIONER BIBLE: The second one I thought was kind
3 of interesting is down in the first full paragraph before the end
4 of the page. It says, "Look at the map of river boat casinos
5 floating down demonstrates the strategy. The riverboat form a
6 ring around their host states." I would suggest that's more a
7 function of geography.

8 CHAIRPERSON JAMES: But it was such a nice map.

9 COMMISSIONER BIBLE: I know, but it just doesn't make
10 sense. That needs to be cleaned up.

11 CHAIRPERSON JAMES: A look at the riverboats clearly
12 demonstrates. It's been moved and seconded. Any discussion?
13 Call for the question. All in favor? Any opposed? Any
14 abstentions? That will be deleted.

15 M13 Madam Chair?

16 CHAIRPERSON JAMES: Yes.

17 M13 Could I ask a question here? Are we deleting
18 sentence one? We pick up with?

19 CHAIRPERSON JAMES: Pick up with, "Despite the
20 intention," is that correct, Bill, what you're recommending?

21 COMMISSIONER BIBLE: You're going to have to make it
22 flow somehow. It's just that the predicate lead in sentence where
23 you're talking about marshall casinos around the borders is not a
24 function of a conscious decision. It's more a function of
25 geography.

26 DR. KELLY: So a simple geographical statement.

27 CHAIRPERSON JAMES: Page 15?

28 COMMISSIONER BIBLE: Page 15 we have enumeration of
29 four states that allow slot machines on race track. At least to

1 my knowledge there are two and possibly three others in Louisiana,
2 New Mexico. New Mexico just opened.

3 COMMISSIONER LANNI: I think again we should use EGDs
4 there.

5 CHAIRPERSON JAMES: Bill, can you point me to where on
6 the page?

7 COMMISSIONER BIBLE: At the bottom of page 15 under
8 issues.

9 CHAIRPERSON JAMES: Right, presently.

10 COMMISSIONER BIBLE: Presently four states.

11 CHAIRPERSON JAMES: And you're recommending that that
12 be changed?

13 COMMISSIONER BIBLE: I think staff needs to check them
14 because I'm aware of at least two and perhaps three states that
15 should be included in that list. We have the same reference in
16 the regulation chapter. It's just not factually correct.

17 CHAIRPERSON JAMES: The third line up from the bottom
18 of the page?

19 COMMISSIONER BIBLE: Just check the listed states. I
20 have personal knowledge of three other states.

21 CHAIRPERSON JAMES: Did you get that? Which one of you
22 is doing the editing? Did you get that? If you are not able to
23 find out today what those other states are, I would suggest
24 language where you say several states such as, or something like
25 that, because I want to put this one in. Next?

26 COMMISSIONER LANNI: Page four, line 14 withdrawn.

27 CHAIRPERSON JAMES: Great.

28 COMMISSIONER LANNI: Next page, page No. 6, line No. 15
29 is withdrawn. Page No. 7, lines Nos. 1 through 8, withdrawn. The

1 supplement. Page No. 7, this is not withdrawn -- lines 26 and 27,
2 that's under the casino section. It refers to the fact that there
3 are now 85 riverboat dock site casinos in six states and 187
4 casinos on Indian reservations. Elsewhere in this report the
5 numbers used is 289. The problem we have is that we also have
6 another section where it's referred to as 298. So we're going to
7 have to accept either 187, 289 or 298. We should be consistent.

8 CHAIRPERSON JAMES: Commissioner Loescher?

9 COMMISSIONER LOESCHER: I disagree with the gentleman.
10 The GEO report --

11 COMMISSIONER BIBLE: I think we should be consistent.

12 CHAIRPERSON JAMES: Just for fun, let's --

13 COMMISSIONER LANNI: I think given the timing issues
14 and the fact that things are happening as we go along, we should
15 use approximations. Just use an approximate number. It's going
16 to be out of date.

17 CHAIRPERSON JAMES: Approximately 260. It's been moved
18 and seconded. Question? All in favor? Any opposed?

19 COMMISSIONER LANNI: Page No. 8, 6 through 13,
20 withdrawn. Page No. 9, 7 through 9, withdrawn. Page No. 9, lines
21 10 through 35 withdrawn. The covers the next three pages. I would
22 ask to delete the second and third pages of additional citations
23 and just go with the very first page. The current language is the
24 third full paragraph, "Opponents' counterclaims of."

25 What I'm saying is if you just take on my three pages,
26 I would delete everything on pages two and three of mine and deal
27 just with this first page, which is called page No. 10, line Nos.
28 13 through 20.

29 CHAIRPERSON JAMES: So following that paragraph you

1 would insert what's on page one which starts with, "There has been
2 much information," and goes all the way down to the example of
3 Biloxi, Gulf Port, Mississippi. Page 10, third paragraph down.
4 It starts with, "Opponents' counterclaims." AT the end of that
5 paragraph, the last word is, "another." Insert right after
6 another the language beginning with, "There has been much
7 information provided to this commission." So no deletions, but
8 you would insert that starting with, "There has also been much
9 information," down to at the end of the page, "1995."

10 COMMISSIONER BIBLE: Can we ask Mr. Lanni to explain
11 this?

12 COMMISSIONER LANNI: I think you need to read it first,
13 Jim.

14 CHAIRPERSON JAMES: We're going to take a minute for
15 everybody to read it and then we're going to discuss it.
16 Commissioner McCarthy?

17 COMMISSIONER MCCARTHY: This proposed amendment I think
18 --

19 COMMISSIONER BIBLE: I'm proposing that in the section
20 we quote from Arthur Anderson, rather than have an argument -- or
21 that Terry's proposing to quote, rather than have an argument,
22 which I would have to conduct vigorous the substitution theory,
23 that we eliminate that first sentence and there is nothing
24 objectionable with the section that begins, "The size of the US
25 economy is not fixed," etcetera and so forth. I think if that's a
26 point Terry wants included --

27 M1 I'll accept that.

28 COMMISSIONER BIBLE: -- we can discuss that. Those are
29 factual statements.

1 COMMISSIONER WILHELM: They're seconded by motion.

2 CHAIRPERSON JAMES: What he'd like to do is to delete
3 from, "inherent," through, "first."

4 COMMISSIONER WILHELM: Changing which part -- what I'm
5 trying to do here is get to the quote from Arthur
6 Anderson --

7 CHAIRPERSON JAMES: That you can live with. That's
8 means dropping this first -- the first two sentences and beginning
9 --

10 COMMISSIONER WILHELM: The substitution issue is one
11 that's debatable.

12 CHAIRPERSON JAMES: We would all agree.

13 COMMISSIONER BIBLE: We're going to be talking -- just
14 going to start out, "First."

15 CHAIRPERSON JAMES: The size of the US economy is --

16 COMMISSIONER WILHELM: The quote that's in there now is
17 only part of the Arthur Anderson quote.

18 COMMISSIONER BIBLE: You can say the following four
19 reasons.

20 CHAIRPERSON JAMES: So I have added, "For example,"
21 deleted the first two sentences, "inherent," started with. I
22 think it was second. Leo?

23 COMMISSIONER McCARTHY: Economic benefits and
24 jurisdictions -- the only thing I want to point out is that the
25 testimony all represent mostly the facilities. I don't contest,
26 but the testimony they gave is accurate that indeed if the host
27 community, which in some cases is a small town, the benefits to
28 that town -- what's missing from this state is that there is no
29 assessment of what the outcomes are.

1 COMMISSIONER LANNI: And I think that's part of a
2 recommendation on research that was made in your massive list of
3 research, so I think that we've dealt with that.

4 UNIDENTIFIED SPEAKER: Leo, let me interrupt. It's the
5 same here in the draft. It's two paragraphs above where Terry
6 wants to put this. It says, page 10 of Gambling in the Unites
7 States, two paragraphs above where Terry wants to put this it
8 says, "However, this same report continues with a caveat that,
9 'little is known about the impact that gambling has had on the
10 dozens of municipalities and regions surrounding each riverboat.
11 Thus it is,'" etcetera.

12 CHAIRPERSON JAMES: Are you satisfied? Then what we
13 have before us is the language moved by Terry and seconded by
14 someone with the first two sentences deleted, "For example,"
15 added. Are you ready for the question? All in favor? Any
16 opposed? Any abstentions? Then we'll skip the next pages.

17 COMMISSIONER LANNI: Then we go to page No. 10, lines
18 No. 21 through 25. It reads currently, "A provident rationale for
19 legalizing riverboat casinos has been their hoped for boost to
20 industries in depressed river towns. A number of states and
21 communities have cited tours and development as a reason to
22 produce riverboat casinos. The use of casinos to promote tours is
23 further evidence the blurring of once distinct barriers between
24 gambling and the general entertainment industry."

25 I am suggesting that we delete this paragraph on the
26 basis, as I note in my citation, throughout this report the
27 language is critical of various types of gambling, opportunities
28 where amenities are lacking. By contrast, this paragraph is
29 critical of the industry for blurring of the once distinct

1 barriers between gambling and the general entertainment industry.

2 The message contradicts what's conveyed in other parts, therefore
3 I think it should be deleted.

4 CHAIRPERSON JAMES: Is there a second?

5 COMMISSIONER LOESCHER: Second.

6 CHAIRPERSON JAMES: Discussion? The question has been
7 called. All in favor of deleting this? All opposed? Any
8 abstentions?

9 COMMISSIONER MOORE: We say the same thing throughout
10 this report. I don't believe that we should discuss or spend too
11 much time on things that are discussed elsewhere. I don't think
12 we're going to get this report like a mystery story. We study
13 these as we come to them, and I don't think it all has to tailgate
14 to each other from one section to another.

15 COMMISSIONER BIBLE: It's not going to read like a
16 mystery story. You can figure out where you're going when you
17 read the first sentence.

18 COMMISSIONER MOORE: A mystery story, I turn back and
19 read the last part of it.

20 CHAIRPERSON JAMES: We're ready for the next one.

21 COMMISSIONER LANNI: Page No. 10, lines Nos. 26 through
22 34, withdrawn. The last change that I would propose, if we turn
23 to page 11, lines No. 1 through 7, which currently read, "The key
24 to large scale tourism development is inducing gamblers to stay at
25 least one night, preferably more, which requires attracting
26 individuals from beyond a range of 200 miles. That is beyond the
27 radius of an easy round trip by car. Becoming such a destination
28 resort, including the lucrative market of mainstream
29 conventioners, however, involves considerably more investment

1 capital than has been the case for the vast majority of
2 riverboats, including the creation of an infrastructure of non-
3 gambling related attractions, such as golf courses and theme
4 parks, as well as airports and highways."

5 My question here is what is the source that we have to
6 support the fact that to be successful in any gainful economic
7 sense, riverboat has to draw its customers more than 200 miles
8 away? I just don't think the facts support this.

9 CHAIRPERSON JAMES: Did I get a second for this? It's
10 been moved and seconded. Questions or discussion?

11 UNIDENTIFIED SPEAKER: I agree with Terry there's no
12 source for 200 miles, but on the other hand, I think the point
13 being made in the paragraph is important. I would suggest as an
14 alternative that we simply ditch the 200 miles and say something
15 like, "Which requires attracting individuals beyond the radius of
16 an easy round trip by car," and leave the whole rest of it because
17 the rest of it to me makes sense.

18 COMMISSIONER LANNI: My issue was with the 200 miles,
19 so I have no problem with that.

20 UNIDENTIFIED SPEAKER: As the only person on the
21 commission from the Northeast or Midwest, I accept that.

22 CHAIRPERSON JAMES: We've accepted that as a friendly
23 amendment. All in favor? Any opposed? Any abstentions? Motion
24 carries.

25 COMMISSIONER LANNI: The last item is --

26 DR. KELLY: Could we get a repetition of the friendly
27 amendment?

28 COMMISSIONER LANNI: The existing paragraph, except
29 that the second line will say, "Which requires attracting

1 individuals from," delete beyond the range of 200 miles, and the
2 continue, "Beyond the radius of an easy round trip by car."

3 The last one I have would be page No. 11, lines No. 8
4 through 19, withdrawn.

5 CHAIRPERSON JAMES: That's the last one we have before
6 us on that chapter.

7 DR. KELLY: I hope somebody has already pointed out
8 that on page 10 there's a little problem of locale here. No one
9 would argue that's the riverboat in Illinois has been successful.
10 Northern tourism was already well established there. The only
11 thing well established there was (inaudible). So some other town
12 would be a better example.

13 CHAIRPERSON JAMES: Was there an additional question,
14 Mr. Loeschler?

15 COMMISSIONER LOESCHER: Madam Chair, if I could avail
16 upon the Commission staff, on page 11 under the Native American
17 tribal gambling, the first line is a footnote, and I fail to see
18 the reason to support this line. I just bring that up. The
19 second thing on that page, the second from the bottom line it
20 says, "For most forms of casino gambling," could we just say that
21 for casino gambling?" Madam Chair, that's the only thing I have.

22 CHAIRPERSON JAMES: We can just do that by acclamation.
23 Do you have all of those changes?

24 DR. KELLY: I'm sorry, can we get the second one? I've
25 got the first one, could you just repeat the second one?

26 COMMISSIONER LOESCHER: Just delete the second line
27 from the bottom starting with, "Tribes," period, or delete the
28 words most forms of, and then it would read, "Casino
29 gambling --"

1 DR. KELLY: Thank you.

2 CHAIRPERSON JAMES: That ends Chapter 2. Fifteen-
3 minute break and then we'll come back and go through Chapter 3.